

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3397-02
Bill No.: SCS for SB 840
Subject: Housing; Real and Personal Property; Contracts and Contractors; Courts;
Professional Licenses; Architects
Type: Original
Date: February 6, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Transportation (MoDOT)** assume the proposed legislation may increase the incidence and cost of construction-related litigation and judgments; however, the long-range fiscal impact on MoDOT is impossible to predict. Overall, MoDOT officials do not expect the proposal to have a significant fiscal impact on their agency.

Officials from the **Department of Natural Resources (DNR)** assume the proposed legislation would create another step that would need to be done when filing a petition with courts against a licensed professional. The DNR's enforcement actions are usually against the permitted facility and not the licensed professional. Therefore, the DNR assumes there would not be a fiscal impact from this provision. The DNR also assumes they would not be asked in many cases to provide the professional written opinion. However, if the number of requests is greater than anticipated, then the DNR may request additional resources.

Officials from the **Office of the State Courts Administrator, Department of Economic Development – Division of Professional Registration, Department of Corrections, and the Department of Conservation** assume the proposal would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could have a fiscal impact on small businesses providing home improvements.

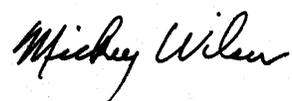
DESCRIPTION

The proposal would revise the statute of limitations and add economic loss damages for home improvements. The 10-year statute of limitations would remain the same. Currently, the time period begins to run at completion of the improvement. However, "completion" is not currently defined in the statute. This proposal would change the starting date of the time limit to "substantial completion" and set forth a definition for substantial completion. The proposal would also add economic loss to the list of damages restricted by the 10-year time limit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Transportation
Department of Natural Resources
Department of Corrections
Department of Conservation
Department of Economic Development
– Division of Professional Registration



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Acting Director

February 6, 2002